

Briefing on Annual Results for 2012/3 and The New Long-Term Vision

May 2012

Nabtesco Corporation

Securities code : 6268

The forecast data presented herein reflects assumed results based on conditions that are subject to change.

Nabtesco Corporation does not make representations as to, or warrant, in whole or in part, the attainment or realization of any of the forecasted results presented in this document.

Agenda



- I. Annual Consolidated Results for 2012/3
- II. Forecast for 2013/3
- III. Transition of Annual Consolidated Results and Forecast by Business Segment
- IV. Consolidated Results by Geographic Segment
- V. Balance Sheet Summary
- VI. CAPEX, R&D and Depreciation
- VII. Consolidated Cash Flow
- VIII. Topics
- IX. The New Long-Term Vision

Summary of Results

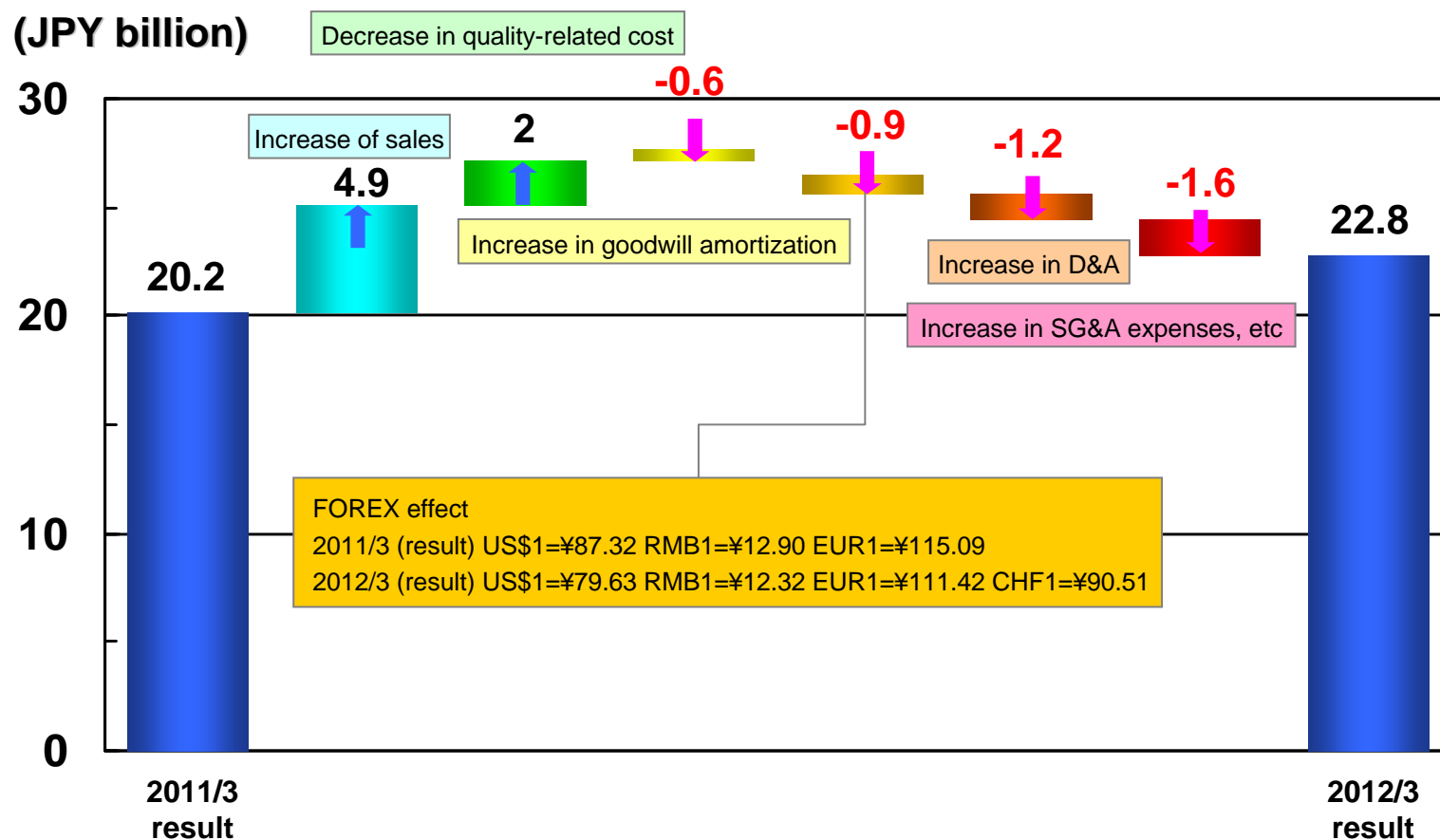
(Comparison with the same period of the previous fiscal year)



(JPY million)	2011/3 result	2012/3 (previous forecast)	2012/3 result	Variation	Ratio
Sales	169,303	200,900	198,527	29,223	17.3%
Operating profit	20,212	22,900	22,858	2,646	13.1%
Operating profit margin	11.9%	11.4%	11.5%	-0.4pt	-
Non-operating profit and loss	2,153	-	1,798	-355	-
Ordinary profit	22,365	24,900	24,656	2,291	10.2%
Extraordinary profit and loss	-411	-	190	602	-
Profit before taxes	21,954	-	24,847	2,893	13.2%
Net profit	13,387	15,100	14,756	1,368	10.2%
Net profit per share	105.91	119.43	116.74	10.83	
ROA	8.1%	7.7%	7.6%	-0.5pt	
ROE	15.8%	15.8%	15.6%	-0.2pt	

Dividend per share	25	34 (forecast)	34 (forecast)	9
Payout ratio	23.6%	28.5 % (forecast)	29.1% (forecast)	5.5pt

Profit & Loss results for 2012/3 (Analysis of Changes in Operating Profit)



Forecast for 2013/3



(JPY million)	2012/3			2013/3		
	H1 result	H2 result	Full-year result	H1 forecast	H2 forecast	Full-year forecast
Sales (year-on-year)	97,671 (+23.5%)	100,856 (+11.8%)	198,527 (+17.3%)	98,000 (+0.3%)	112,000 (+11.0%)	210,000 (+5.8%)
Operating profit (year-on-year)	12,234 (+29.4%)	10,624 (-1.2%)	22,858 (+13.1%)	9,600 (-21.5%)	14,600 (+37.4%)	24,200 (+5.9%)
Operating profit margin	12.5%	10.5%	11.5%	9.8%	13.0%	11.5%
Ordinary profit (year-on-year)	13,201 (+27.9%)	11,455 (-4.9%)	24,656 (+10.2%)	10,200 (-22.7%)	15,900 (+38.8%)	26,100 (+5.9%)
Net profit (year-on-year)	8,351 (+41.2%)	6,405 (-14.3%)	14,756 (+10.2%)	6,300 (-24.6%)	10,500 (+63.9%)	16,800 (+13.8%)
ROA			7.6%			8.4%
ROE			15.6%			17.0%

Dividend per share	17	17(forecast)	34(forecast)	18(forecast)	21(forecast)	39(forecast)
Payout ratio			29.1%(forecast)			29.3%(forecast)

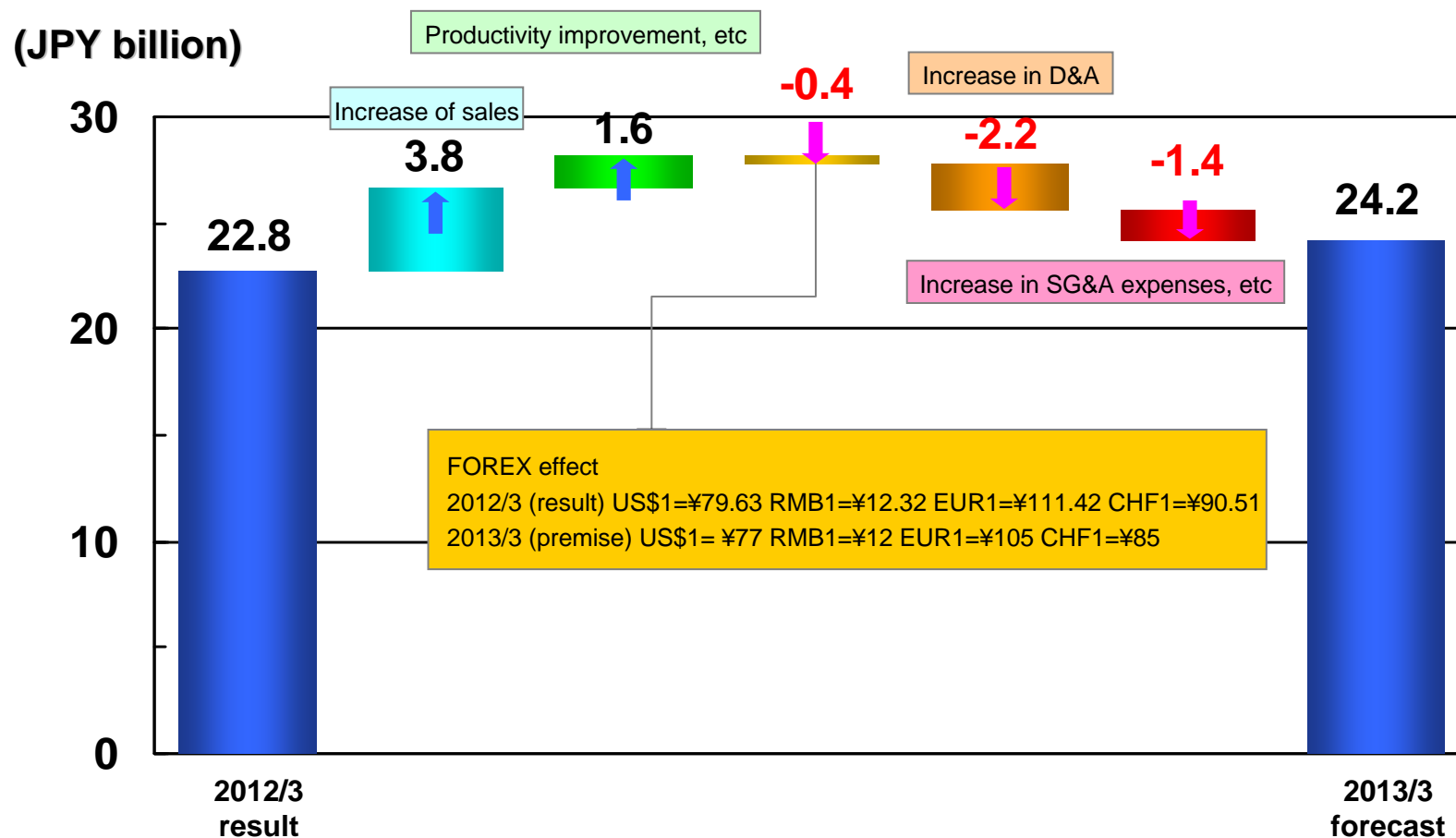
Notes:

● An increase in sales is expected for 2013/3 due to the sales expansion of precision reduction gears for industrial robots and automatic doors, release of a new product (solar tracking equipment), and acquisition effect of Gilgen (Switzerland).

● Risk factors : Delay in the recovery of construction machinery demand and railroad investment affected by the high-speed train accident (both in China)

*Three-month time lag should be considered for all overseas subsidiaries of Nabtesco. (Their accounting period is from January to December.)

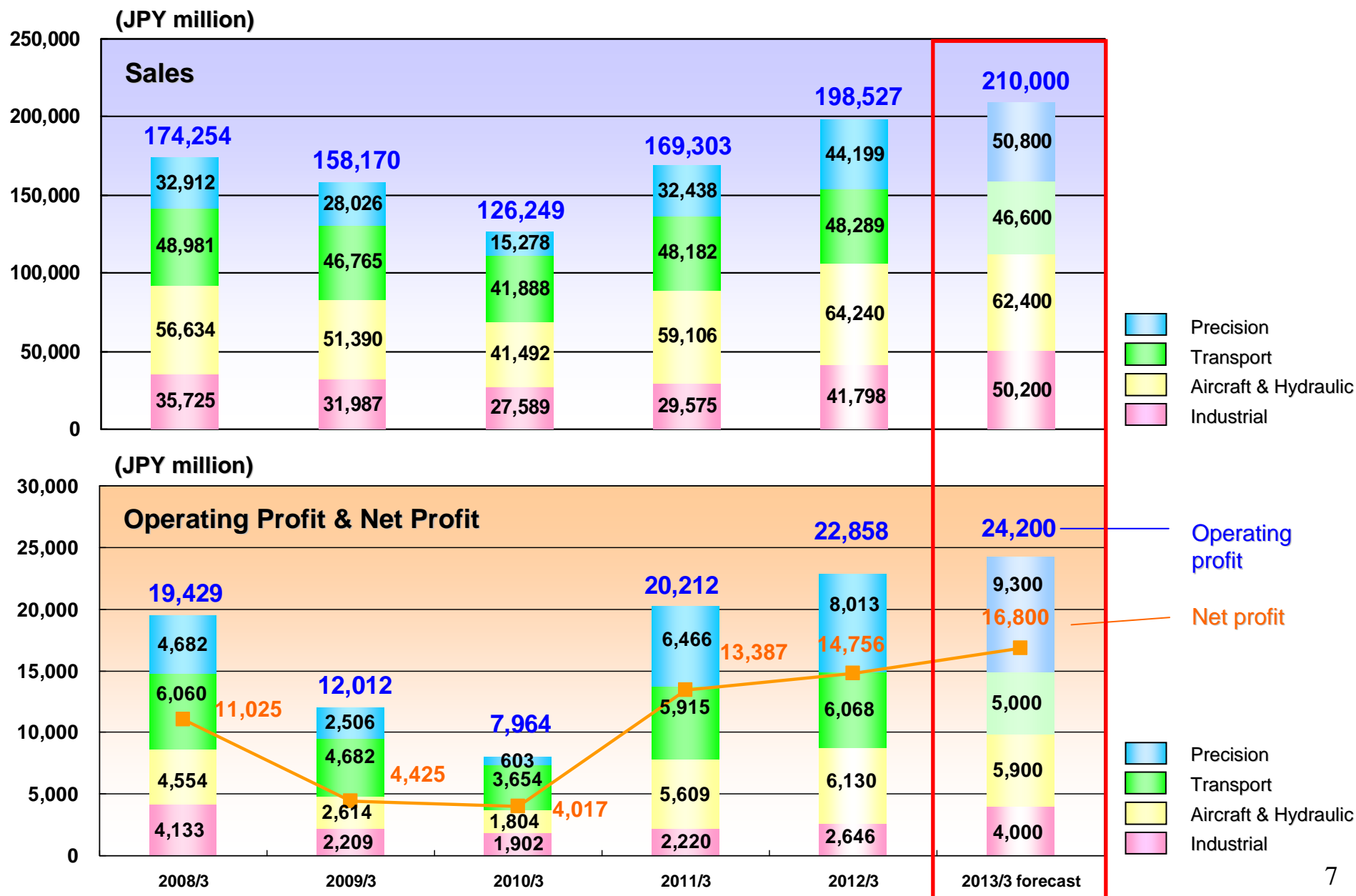
Profit & Loss forecast for 2013/3 (Analysis of Changes in Operating Profit)



*FOREX sensitivity in O. P. (US\$): JPY 134 million, (RMB): JPY 171 million, (EUR): minor, (CHF): minor
 (This represents the effect to be expected on operating profit if the exchange rate fluctuates by one yen.)

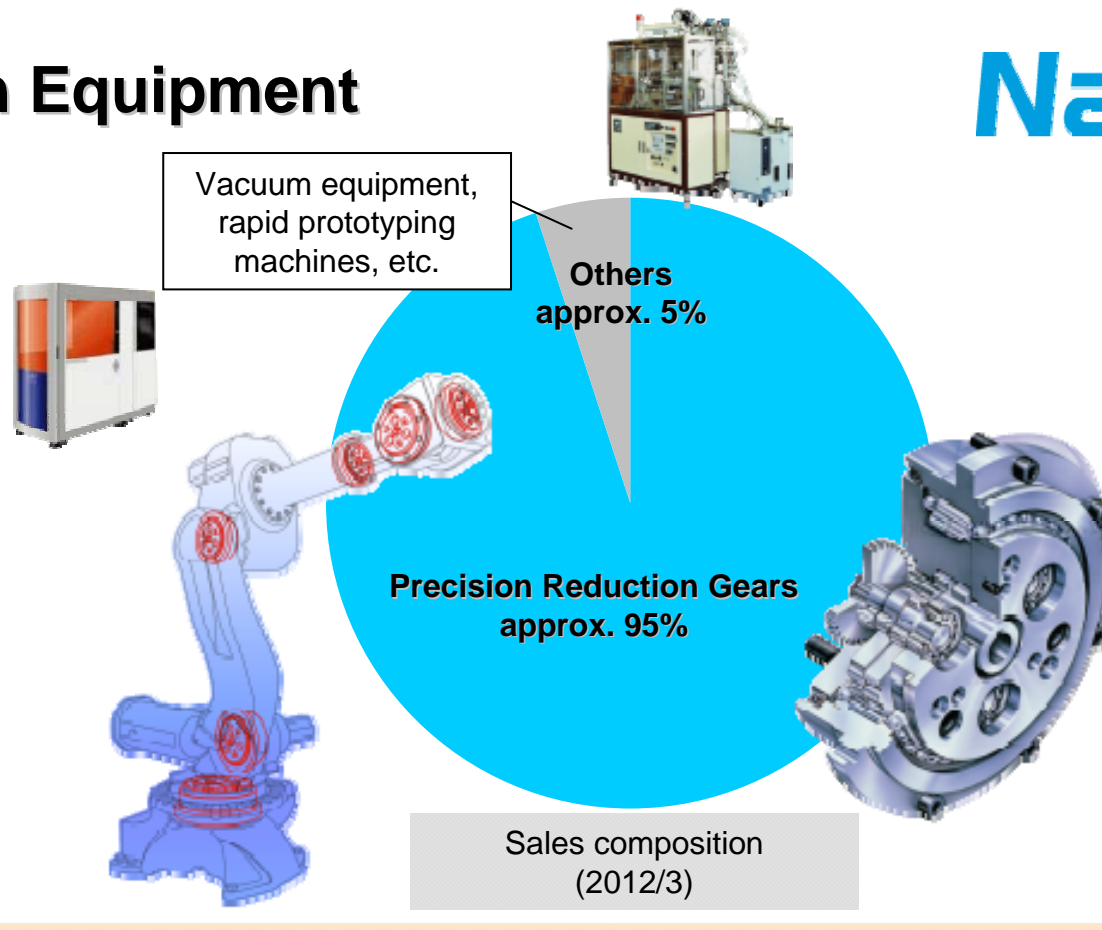
Transition of Consolidated Annual Results and Forecasts by Business Segment

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Precision Equipment

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Main Products and Customers

Precision reduction gears

Industrial Robots: Fanuc, Yaskawa Electric, KUKA Roboter (Germany), ABB Robotics (Sweden)

Machine Tools: Yamazaki Mazak, Okuma, Mori Seiki

Precision Equipment



Results and forecast

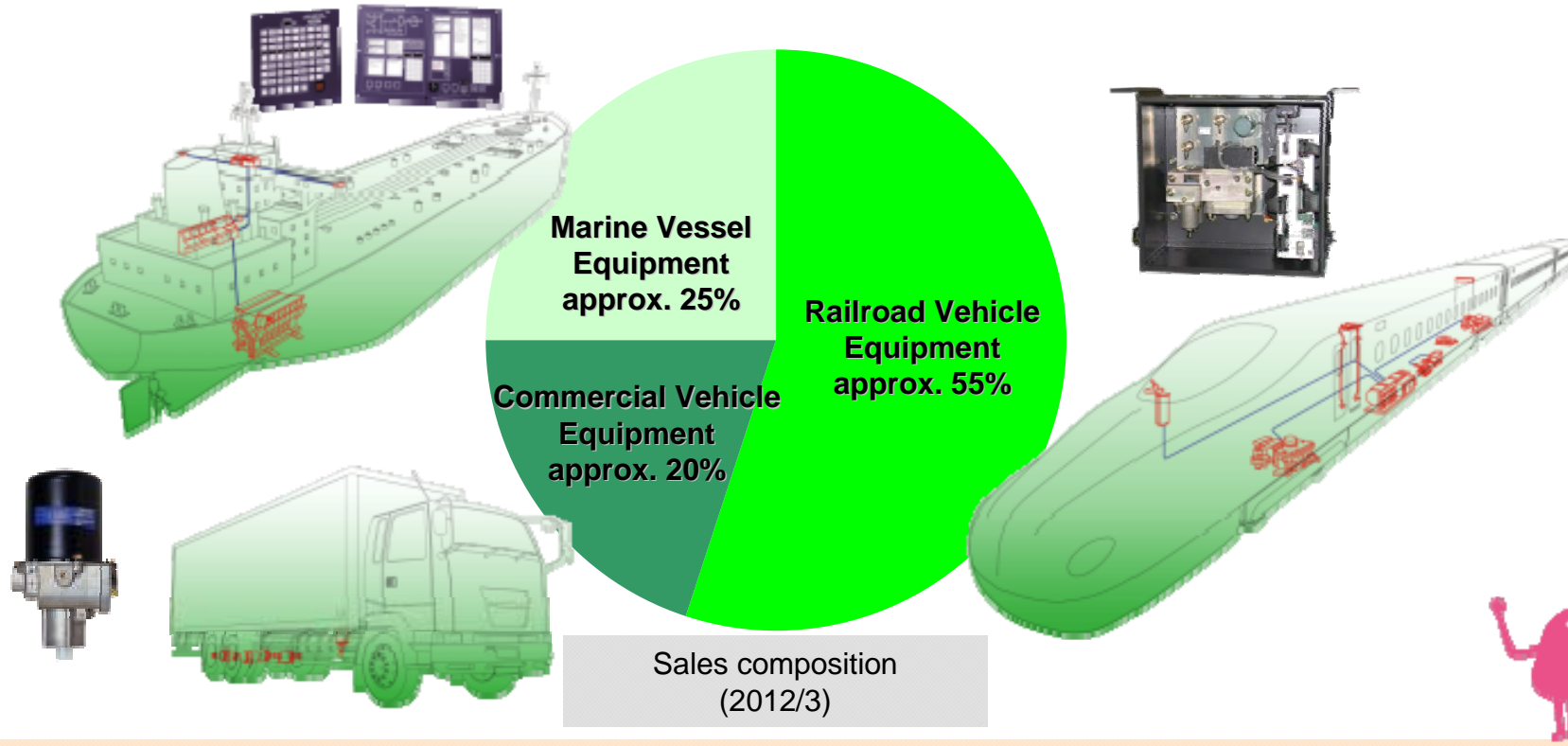
(JPY million)	2012/3			2013/3		
	H1 result	H2 result	Full-year result	H1 forecast	H2 forecast	Full-year forecast
Sales (year-on-year)	21,293 (+46.8%)	22,906 (+27.7%)	44,199 (+36.3%)	23,400 (+9.9%)	27,400 (+19.6%)	50,800 (+14.9%)
Operating profit (year-on-year)	3,946 (+23.5%)	4,067 (+24.3%)	8,013 (+23.9%)	3,900 (-1.2%)	5,400 (+32.8%)	9,300 (+16.1%)
Operating profit margin	18.5%	17.8%	18.1%	16.7%	19.7%	18.3%

Notes:

- Precision reduction gears: Sales increased in 2012/3 due to the expansion of demand for industrial robots driven by capital expenditure by the Japanese and overseas automotive industries as well as by other industries. The demand for machine tools is recovering. An increase in sales is continued to be expected for 2013/3 due to the release of the new product (solar tracking equipment).
- O.P. of the segment: Profit increased in 2012/3 due to increase in sales. Despite the increasing D&A cost, an increase in profit is expected in 2013/3 due to increase in sales and productivity improvement by automation investment.

Transport Equipment

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Main Products and Customers

Railroad vehicle equipment (brake systems, door operating units)

JR companies, Private railway companies, KHI, Bullet train and subway projects in China, etc.

Marine vessel equipment (remote control systems for marine diesel engines)

KHI, Mitsui Engineering & Shipbuilding, Hitachi Zosen, MHI, Diesel United, Hyundai Heavy Industries (Korea), MAN Diesel (Denmark)

Commercial vehicle equipment

Hino, Mitsubishi Fuso Truck & Bus, Isuzu, UD Trucks

Transport Equipment



Results and forecast

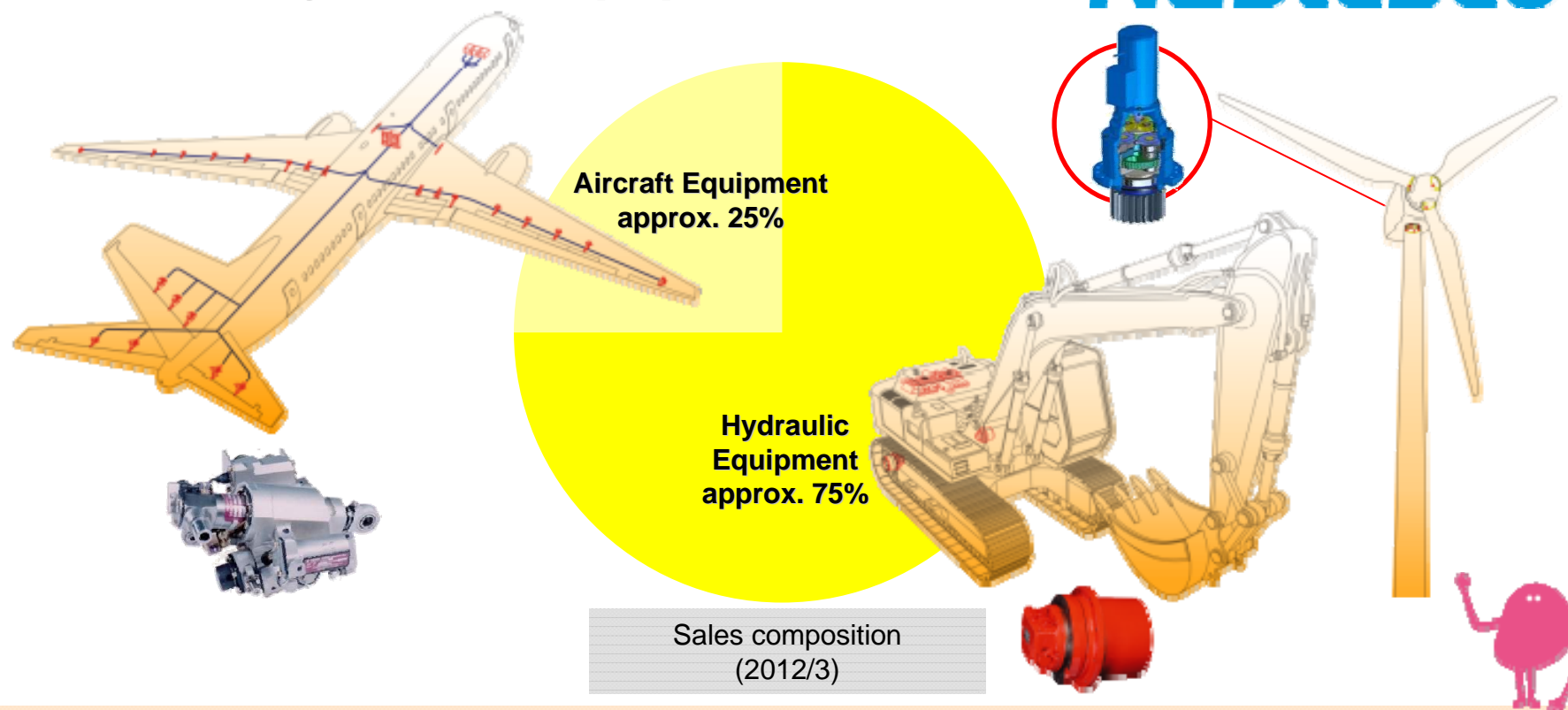
(JPY million)	2012/3			2013/3		
	H1 result	H2 result	Full-year result	H1 forecast	H2 forecast	Full-year forecast
Sales (year-on-year)	23,489 (+3.9%)	24,800 (-3.0%)	48,289 (+0.2%)	23,200 (-1.2%)	23,400 (-5.6%)	46,600 (-3.5%)
Operating profit (year-on-year)	3,136 (+17.0%)	2,932 (-9.3%)	6,068 (+2.6%)	2,700 (-13.9%)	2,300 (-21.6%)	5,000 (-17.6%)
Operating profit margin	13.4%	11.8%	12.6%	11.6%	9.8%	10.7%

Notes:

- Railroad vehicle equipment: Sales decreased in 2012/3 due to off-crops season of new railroad demand in Japan, and due to the scandal of the Ministry of Railways and high-speed train accident in China. Sales For 2012/3 is expected to be flat due to a decrease in sales in Japan.
- Marine vessel equipment :Despite stagnancy in the market, sales increased in 2012/3 due to spot projects in China. A decrease in sales is expected for 2013/3 due to weak demand.
- Commercial vehicle equipment: Sales increased in 2012/3 due to the expansion of demand for commercial vehicles in emerging countries. Sales for 2012/3 is expected to be flat due to a recoil reduction in sales in H2, being affected by the increase in H1 driven by revival of government subsidy.
- O.P. of the segment: Profit increased in 2012/3 because of sales increase in commercial vehicle equipment. A decrease in profit is expected in 2013/3 due to a decrease in sales.

Aircraft & Hydraulic Equipment

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Main Products and Customers

Hydraulic equipment

Traveling motors:

Japan: Komatsu, Kobelco Construction Machinery, Sumitomo Construction Machinery Manufacturing

China: Liu Gong, Sany, Xugong Excavator Korea: Doosan

Drive units for wind turbine generators: MHI, Others

Aircraft equipment

Flight control actuation systems: Boeing, MHI, KHI, IHI, Japanese Ministry of Defense, ANA, Singapore Airlines

Aircraft & Hydraulic Equipment



Results and forecast

(JPY million)	2012/3			2013/3		
	H1 result	H2 result	Full-year result	H1 forecast	H2 forecast	Full-year forecast
Sales (year-on-year)	34,838 (+21.8%)	29,402 (-3.6%)	64,240 (+8.7%)	28,500 (-18.2%)	33,900 (+15.3%)	62,400 (-2.9%)
Operating profit (year-on-year)	3,903 (+38.3%)	2,227 (-20.1%)	6,130 (+9.3%)	1,900 (-51.3%)	4,000 (+79.6%)	5,900 (-3.8%)
Operating profit margin	11.2%	7.6%	9.5%	6.7%	11.8%	9.5%

Notes:

● Hydraulic equipment: Despite the impact of shrinking demand for construction machinery in China in H2, increased in sales for the whole financial year due to great demand in the Chinese market in H1 of 2012/3. Demand in China will recover in or after H2 and a decrease in sales is expected for 2013/3.

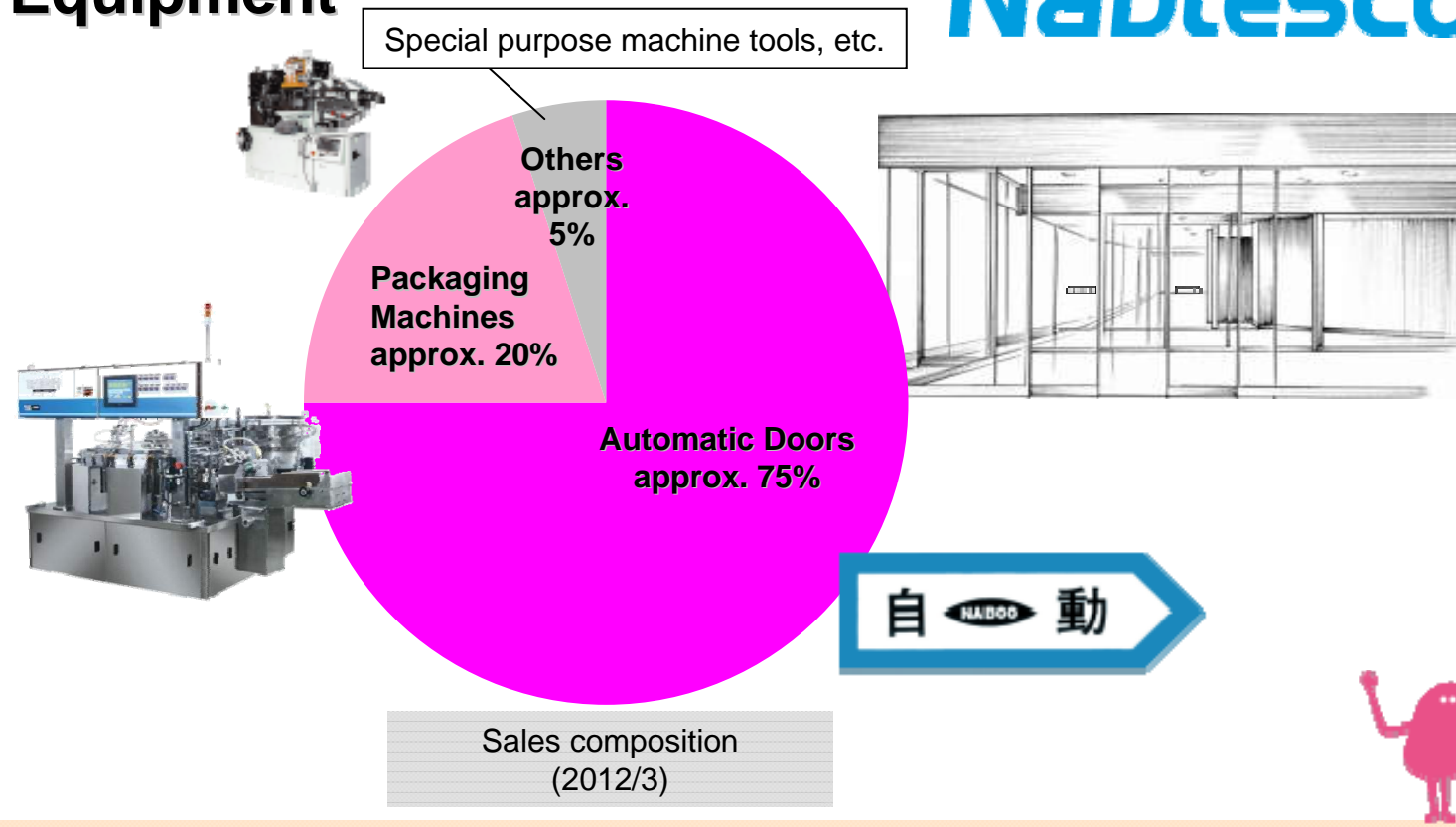
(Wind turbine generators): Flat in sales in 2012/3 because of weak demand in the US market. A slight increase in sales is expected for 2013/3.

● Aircraft equipment: Increased in sales in 2012/3 due to sales expansion to the private sector. A continuous increase in sales is expected in 2013/3.

● O.P. of the segment: Profit increased in 2012/3 due to an increase in sales and the effect of integrating two domestic hydraulic equipment plants into one. Although an increase in sales is expected for aircraft equipment, profit will drop in 2013/3 because of a decrease in sales of hydraulic equipment.

Industrial Equipment

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Main Products and Customers

Automatic doors

Automatic doors for buildings: Major general contractors, sash manufactures, hospitals, banks, public institutions, etc.

Platform doors: Subway projects in France, subway projects in China

Packaging Machines (Toyo Jidoki Co., Ltd.)

Ajinomoto, Marudai Food, Mitsui Sugar, P&G, Kao, Lion, food companies in China, Mars(France), American Beverage Corporation(USA)

Industrial Equipment



Results and forecast

(JPY million)	2012/3			2013/3		
	H1 result	H2 result	Full-year result	H1 forecast	H2 forecast	Full-year forecast
Sales (year-on-year)	18,050 (+35.0%)	23,748 (+46.6%)	41,798 (+41.3%)	22,900 (+26.9%)	27,300 (+15.0%)	50,200 (+20.1%)
Operating profit (year-on-year)	1,248 (+64.7%)	1,398 (-4.4%)	2,646 (+19.2%)	1,100 (-11.9%)	2,900 (+107.4%)	4,000 (+51.2%)
Operating profit margin	6.9%	5.9%	6.3%	4.8%	10.6%	8.0%

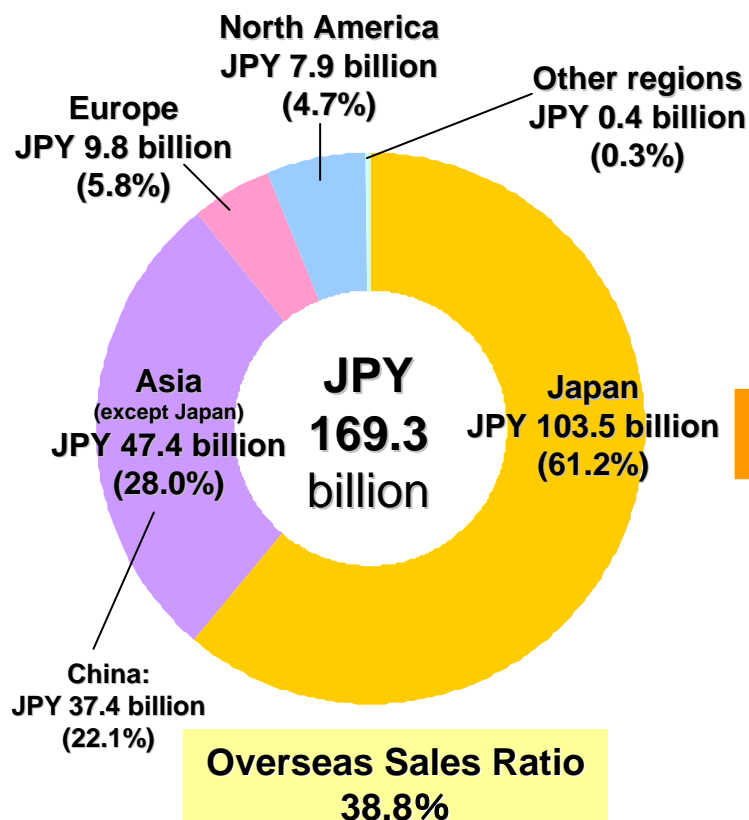
Notes:

- Automatic doors: Sales increased in 2012/3 due to the acquisition of Gilgen Door Systems AG, sales of which began to be included in total sales in Q2. An increase in sales is also expected in 2013/3 because of the acquisition effect.
- Packaging machines: Sales increased in 2012/3 due to investment demand from the sugar and chemical industries in Japan and from overseas. An increase in sales is continued to be expected for 2013/3.
- O.P. of the segment: Despite the goodwill amortization of Gilgen Door Systems, profit increased in 2012/3 due to an increase in sales of packaging machines. An increase in profit is expected in 2013/3 because of sales expansion.

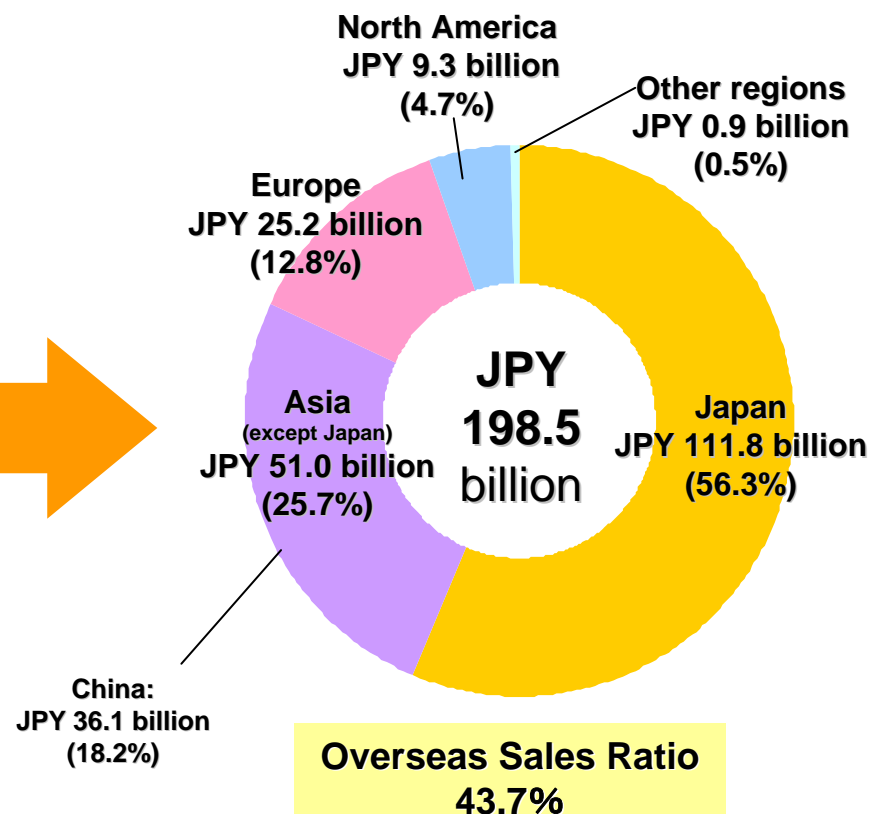
Consolidated Results by Geographic Segment

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2011/3 result



2012/3 result



Notes:

- Sales to China in 2012/3 slightly decreased due to the decline in demand for railroad vehicles, etc.
- Overseas sales ratio increased from 38.8% to 43.7% due to acquisition effect of Gilgen (Switzerland), etc.

Balance Sheet Summary



(JPY million)	2011/3 result	2012/3 result	Variation
Assets	180,729	208,092	27,363
(Cash and time deposits)	56,705	50,503	-6,201
(Accounts receivable)	40,894	47,539	6,644
Receivable turnover period (in days)	83	81	2
(Inventory)	17,017	20,110	3,093
Inventory turnover period (in days)	46	46	0
(Fixed assets)	44,442	51,509	7,067
Liabilities	84,197	100,625	16,428
(Interest-bearing debt)	20,157	31,694	11,537
Net assets	96,531	107,466	10,935
(Stock acquisition right)	159	208	48
(Minority interests)	6,130	8,165	2,034
Equity capital	90,241	99,092	8,851

Remark:

● Increased due to 10 billion-yen syndicated loan (long-term debts)

※ Equity ratio : 49.9% 47.6%

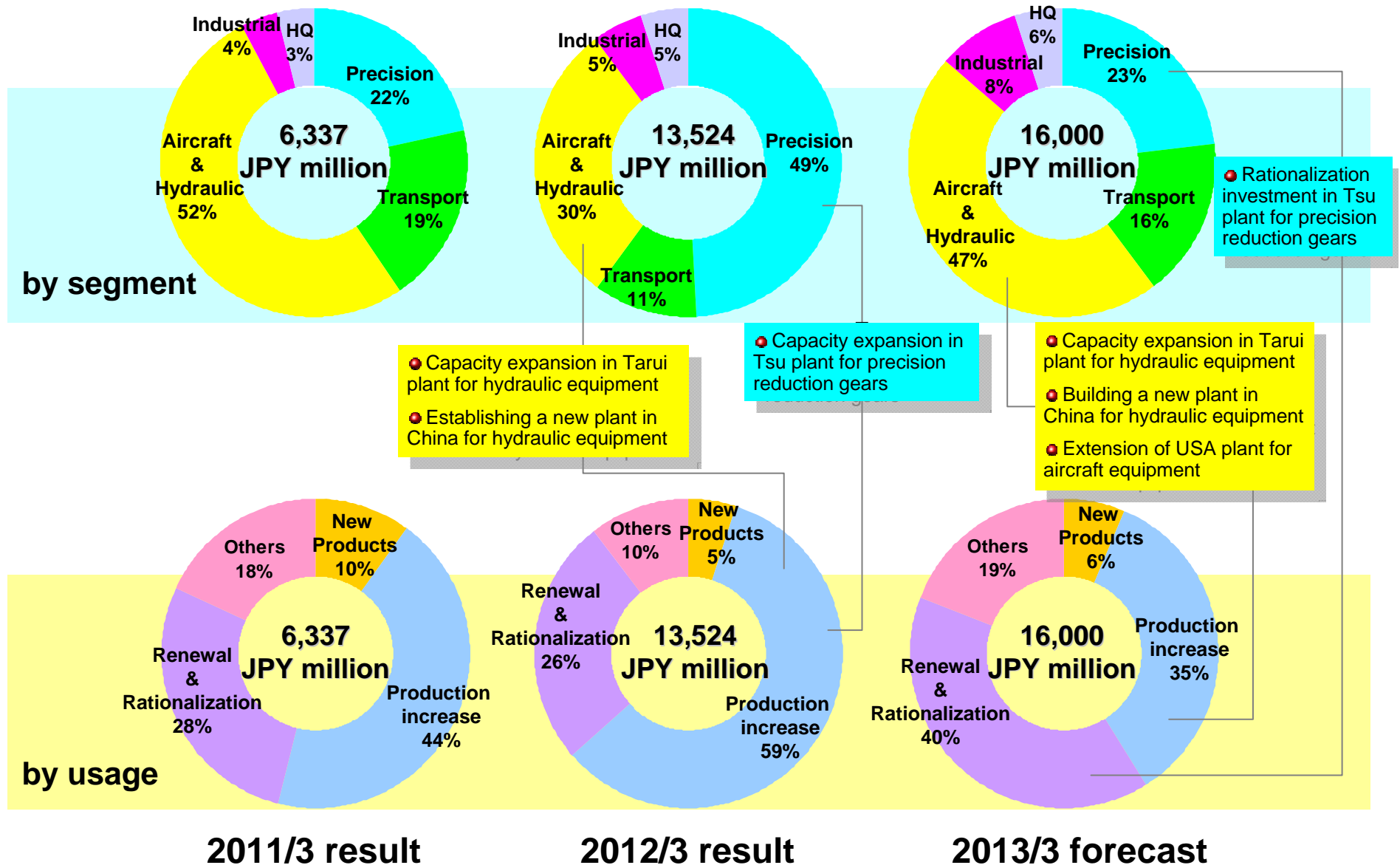
CAPEX, R&D and Depreciation



(JPY million)	2011/3 result	2012/3 result	Variation	2013/3 forecast
CAPEX	6,337	13,524	7,187	16,000
R&D	3,911	5,200	1,289	5,000
Depreciation	5,391	6,673	1,282	9,000

Breakdown in CAPEX

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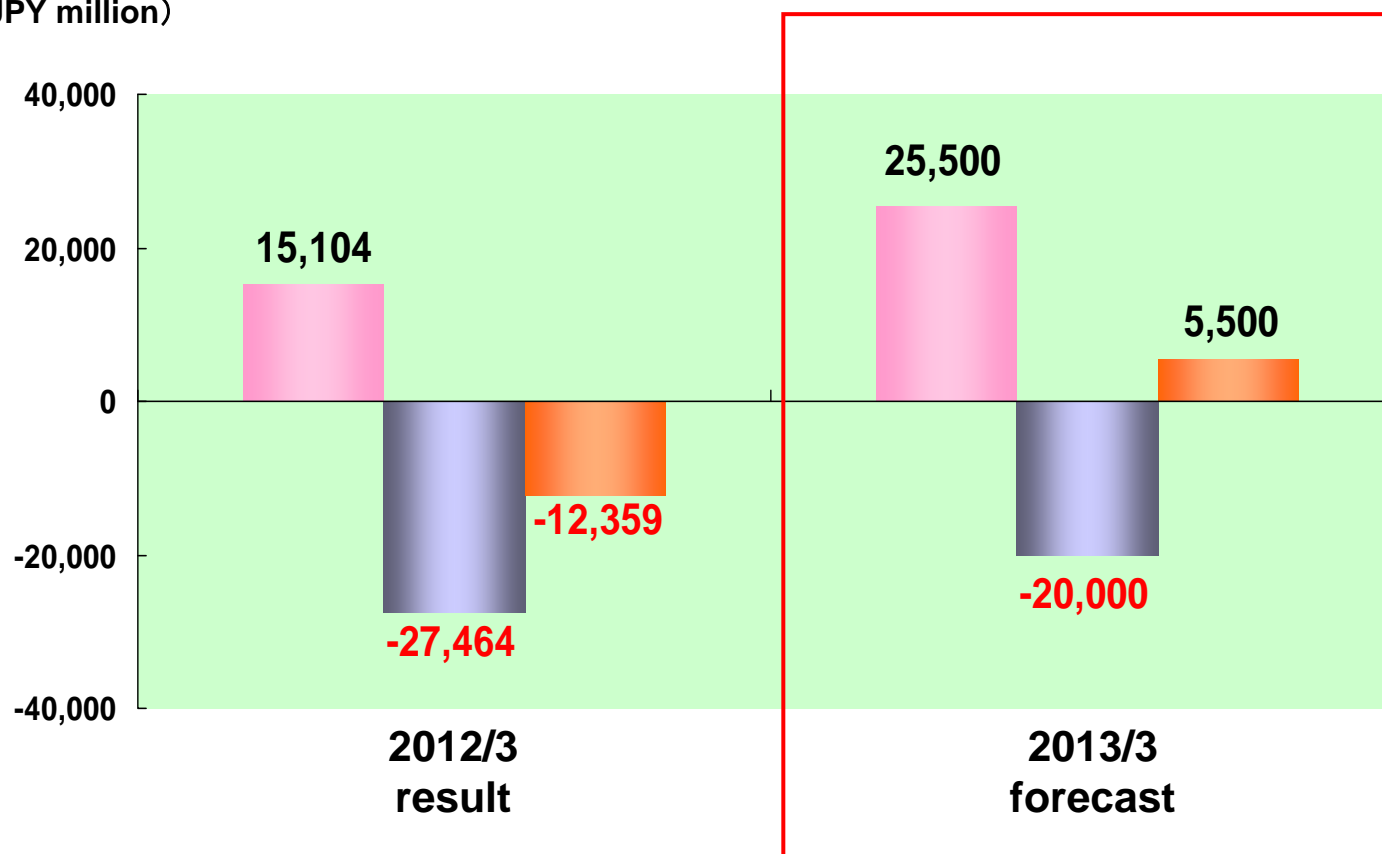


Consolidated Cash Flow



Operating Cash Flow Investment Cash Flow Free Cash Flow

(JPY million)

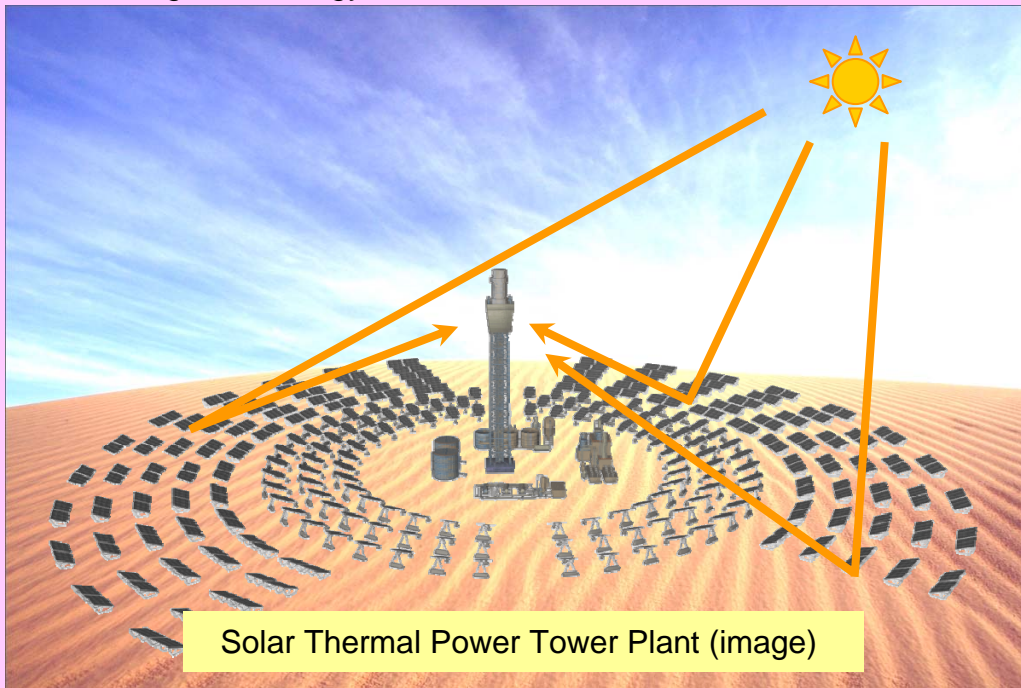


Topics : The first order received for our solar tracking equipment

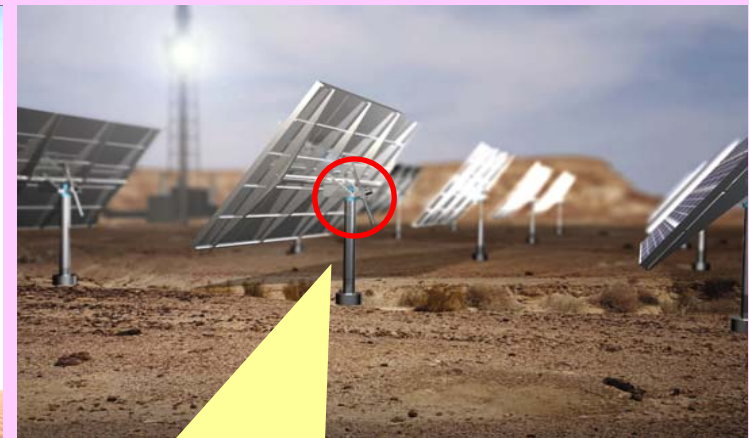
Nabtesco

- New Product: The solar tracking equipment
- Nabtesco has received the first order for our solar tracking equipment
- Project Name : Crescent Dunes Thermosolar Power Plant (Nevada in USA)

This is a central receiver power plant with generating capacity of 110MW and molten salt technology. This is one of the world's largest projects for a solar tower plant and it is possible to produce electric power by heat storage at night. Therefore, this new technology makes it possible to produce twice as much electric power as photovoltaic power generation and trough-style solar solar thermal facilities. This project establishes the new standard for solar energy storage technology.



Solar Thermal Power Tower Plant (image)



- The solar tracking equipment:
This enables heliostats to track the sun to collect and reflect the sun's rays to the central receiver of the solar thermal power plant. This is developed with the technology of our precision reduction gears.

Global Partner with Best Solutions



**Continue to provide society with new innovative solutions
(products, services and business models)**



**Pursue excellence through continuous technological innovation,
thereby enhancing rapport and trust with customers**



**Value open communication and creative thinking regardless of
language and cultural differences**



**Encourage each employee to proactively take on challenges from
the slogan, “*Enjoy the Challenge* .”**

Targeted Financial Figures

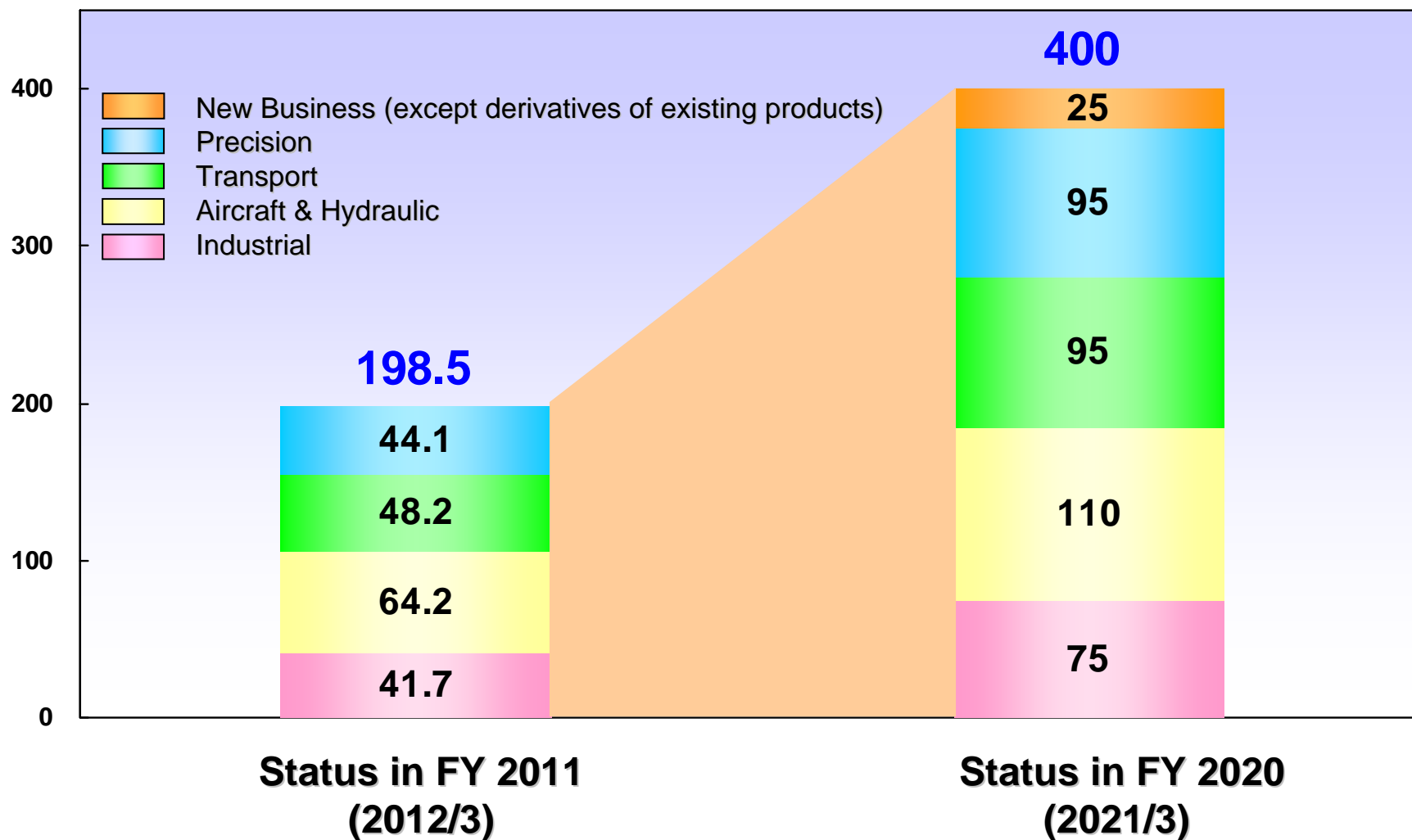


(JPY billion)	2012/3 <result>	2014/3 <Mid-Term Plan>	2021/3 <Long-Term Vision>
Sales	198.5	240	400
Operating profit	22.8	31.3	60
O.P. margin	11.5%	13.0%	15.0%
ROA	7.6%	9.5%	11.0%
ROE	15.6%	17.0%	18.0%

Consolidated Sales by Business Segment



(JPY billion)

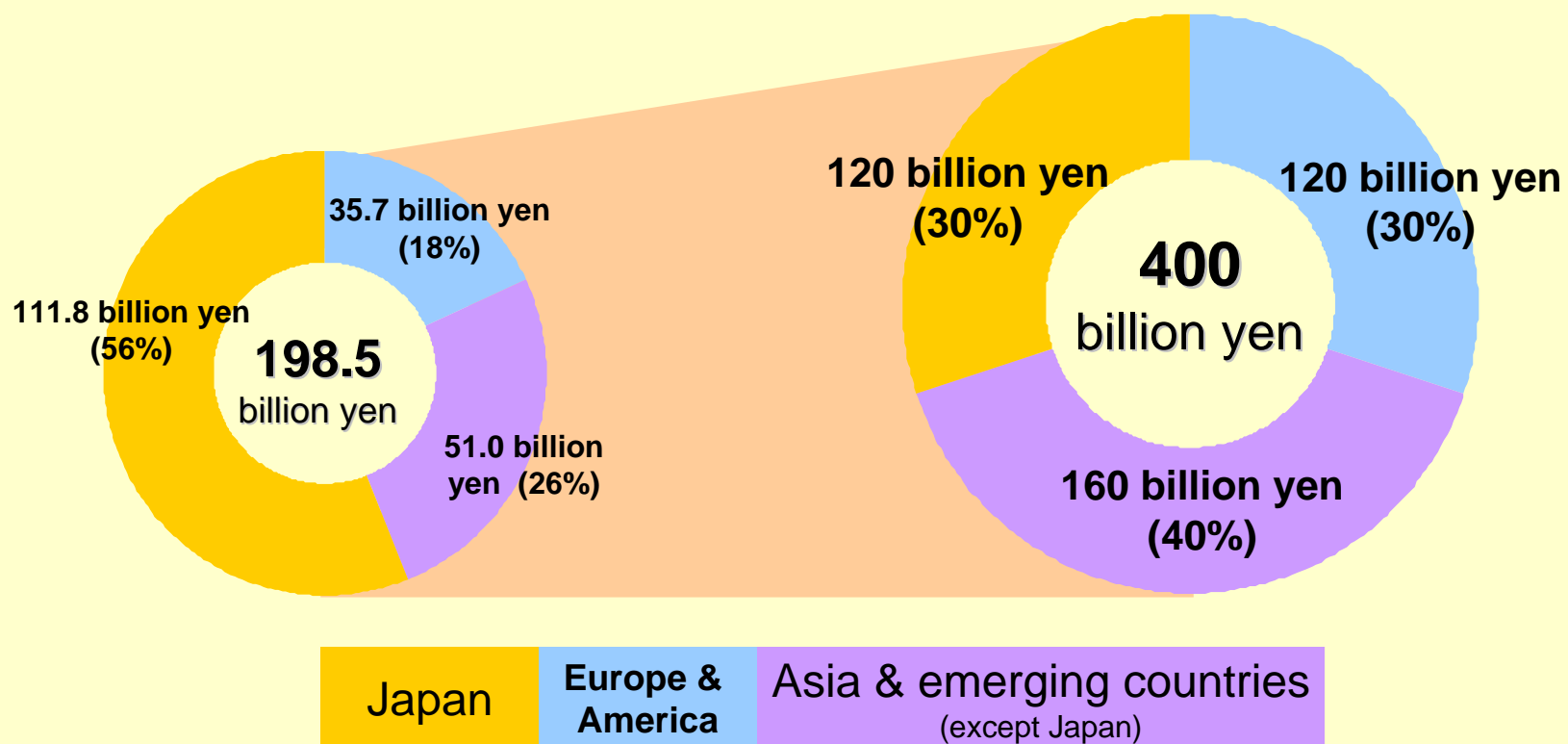


Consolidated Sales by Geographic Segment



Status in FY2011 (2012/3)

Status in FY2020 (2021/3)



Growth Strategy

✓ **Creation of New Business**

1. Marketing promotion for new fields and new-product development
2. Improvement in product development capability
3. Gain new business through M&A and alliance

✓ **Development of Production System**

1. Improvement in production technological capability for black box
2. Pursuit of automation
3. Development of global SCM, utilization of IT and mutual use of manufacturing bases for optimal production

✓ **Training and securing of optimal and world-class human resources**

✓ **Transition to a new management system**

1. Restructuring of in-house companies and separation of management and enforcement for business speed-up
2. Establishment of a cross-organizational department for higher business efficiency (Production Division, New Business Development Office, Technological Development Institute)

✓ **CAPEX & M&A: 200 billion yen in total (2013/3~2021/3)**

✓ **R&D**

1. Conduct research into component technologies on a global scale
2. Search for and study state-of-the-art technologies relevant to new products (industry-government-academia)
3. Secure high-level and world-class engineers

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Moving it. Stopping it.

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